

On Thursday, April 19, 2007, at 1:00 pm, in room 2154 of the Rayburn House Office Building, the Subcommittee will hold a legislative hearing on two bills related to tax collection. The first bill is the Contractor Tax Enforcement Act, which would prohibit delinquent federal tax debtors from being eligible to contract with federal agencies. The second bill would amend Title 31 of the United States Code by authorizing a pilot program for local governments to offset federal tax refunds to collect local tax debts. Contractors owe the federal government billions of dollars in delinquent taxes, and the Contractor Tax Enforcement Act is designed to mandate that tax compliance be a prerequisite for receiving a federal contract. In 2005, GAO reported that roughly 33,000 civilian agency contractors owed over \$3 billion in unpaid federal taxes as of September 30, 2004.

Similarly, a 2004 GAO report on tax abuses by contractors working for the Department of Defense (DOD), the largest purchaser of goods and services in the federal government, found that over 27,000 DOD contractors owed nearly \$3 billion in unpaid taxes.

The following witnesses offered testimony:

PANEL I (H.R. 1870)

The Honorable J. Russell George, Treasury Inspector
General for Tax Administration

The Honorable Paul A. Denett, Administrator, Office of
Federal Procurement Policy, Office of Management and
Budget, Executive Office of the President

Mr. Gregory D. Kutz, Managing Director, Forensic Audits and
Special Investigations , U.S. Government
Accountability Office

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PANEL II (H.R. 1865)□

The Honorable Mick Cornett, Mayor, Oklahoma City,
Oklahoma Representing the
U.S. Conference of Mayors

The Honorable Barbara Ford-Coates, Tax Collector, Sarasota
County, Florida Represe
nting the National Association of Counties and the National
Association of County Treasurers and Finance Officers

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Ms. Patricia Weth, Deputy Treasurer, On behalf of **The
Honorable Francis X. O’Leary**,
Treasurer, Arlington County, Virginia

Documents and Links

- [Testimony of Paul Dennett](#)

- [Testimony of Russell George](#)
- [Testimony of Gregory Kutz](#)
- [Testimony of Frank O'Leary](#)